

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte CRAIG W. BARNETT, KAREN R. REISNER and MARK BRAUNSTEIN

Appeal No. 2006-0304
Application No. 09/543,735

HEARD: APRIL 4, 2006



Before JERRY SMITH, LEVY, and NAPPI, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

ON REQUEST FOR REHEARING

Appellants request that we reconsider our decision of April 28, 2006 wherein we sustained the rejection of claim 111 as being based on an inadequate disclosure, and wherein we sustained the rejection of claims 104-157 as being unpatentable over the teachings of Von Kohorn and Saigh under 35 U.S.C. § 103(a).

Appellants also request that, in the alternative, we designate our decision a new ground of rejection under 37 CFR § 41.50(b) based on our reliance on different portions of Von Kohorn than were used by the examiner in sustaining the examiner's rejection.

Appellants' first argument in the request for rehearing is that the Board erred in finding that Von Kohorn and Saigh were analogous art. Specifically, appellants assert that the Board

failed to consider either the field of endeavor of the two references or the problems with which the claimed invention and Saigh were concerned. They argue that the mere fact that Saigh may mention that coupons can be distributed over the Internet alone does not render Saigh an Internet-based incentive distribution system. Appellants also reiterate that in Von Kohorn, measuring the effectiveness of different stimuli on user purchases is the field of invention. Appellants also argue that the Board's statement that Von Kohorn prints user-specific coupons at user terminals is unsupported [Request, pages 8-14].

We are again not persuaded by appellants' arguments that Von Kohorn and Saigh are non-analogous. Appellants focus on the portion of the overall process in which the individual references are directed to instead of on the fact that the overall processes in the two references relate to and teach a coupon distribution system as claimed. Thus, Von Kohorn and Saigh are analogous art because they are in the same field of endeavor, that is, systems for distributing coupons. The fact that they relate to different aspects of a coupon distribution system does not make them non-analogous art. We also note that the examiner found that Von Kohorn taught all the features of the claimed invention except for the use of the Internet as the communication channel. Saigh was cited only to teach the use of the Internet in systems for distributing coupons. We still find that it would have been obvious to the artisan to replace the communication channels taught by Von Kohorn with the Internet as taught by Saigh. With

respect to appellants' argument regarding the printing of user-specific coupons in Von Kohorn, it is taught at several locations in Von Kohorn that the coupons printed at the remote sites contain user identification information and verification codes.

Appellants also argue that the Board failed to consider the evidence as of the time appellants' invention was filed [Request, pages 14-16]. Although we agree with appellants that the language quoted from the decision was not well-chosen, we find, nevertheless, that the applied prior art supports the result reached in the decision. Saigh teaches the advantages of using the Internet in promotional delivery systems [column 14, lines 15+]. Since Von Kohorn teaches a promotional delivery system, the artisan would have found it obvious to replace the system taught by Von Kohorn with the Internet as taught by Saigh for the advantages taught by Saigh.

Appellants argue that the Board found obviousness of the claimed invention before all the facts were considered. Specifically, appellants refer to one portion of the decision in support of this argument [Request, pages 16-20]. Appellants have misunderstood the quoted portion of the previous decision. The quoted portion of the decision only states that the specific limitations of the claimed invention were being considered in light of the fact that the Board had already found that it would have been obvious to the artisan to replace the communication channel of Von Kohorn with the Internet as taught by Saigh and as noted above. The individual recitations of the claimed invention

were then analyzed when Von Kohorn was viewed as operating over the Internet. Once the finding was made that it would have been obvious to employ the Internet in Von Kohorn, all the other findings made in the previous decision clearly follow.

Appellants have offered no substantive rebuttal of the findings other than to argue that they consist of hindsight. As noted above, the finding that it would have been obvious to use the Internet in Von Kohorn is not based on hindsight, but rather, is clearly suggested by Saigh.

Appellants argue that the examiner has failed to establish a prima facie case of obviousness [Request, pages 20-21]. To the extent that appellants made this argument in the briefs, we clearly did not agree. As noted above, all the claim features except for the Internet were taught by Von Kohorn according to the examiner. We considered each of appellants' arguments with respect to the individual features of the claimed invention that were allegedly not taught by Von Kohorn, and we did not find any of these arguments to be persuasive. In other words, we found that the examiner established a prima facie case of obviousness, and none of appellants' arguments persuasively rebutted this prima facie case.

Finally, appellants argue that the Board advanced its own rationale (instead of the examiner's rationale) to affirm the rejection. They argue that this constitutes a new ground of rejection because they have not had a fair opportunity to respond to this new rejection [Request, pages 21-23]. We note that each

of the "new" findings made in the Board decision resulted from arguments made by appellants for the first time in the reply brief. The Board decision simply pointed to portions of Von Kohorn that taught claim recitations that had not been argued before the examiner in the main brief. Since appellants waited until the reply brief to question the evidence in support of the rejection, the citation of these portions of Von Kohorn in the decision do not constitute a new ground of rejection. We have carefully reviewed the previous decision, and we can find nothing that would suggest that we changed the examiner's rationale in any way. While there is at least one appeal related to this appeal where the Board did rely on different portions of Von Kohorn than the examiner, we do not find such a different rationale in the previous decision rendered in this case.

Appellants argue that the Board has inconsistently interpreted the phrase "predetermined number of times" for purposes of finding obviousness under 35 U.S.C. § 103(a) and lack of written description under 35 U.S.C. § 112 [Request, pages 23-25].

First, it is noted that the standards for support of a claimed invention under the first paragraph of 35 U.S.C. § 112 and for disclosure of the invention by the prior art are not the same. As was discussed in the original decision, appellants' specification does not provide support for the breadth of the phrase "predetermined number of times," but the phrase is met by the number one. Since the printed coupons in Von Kohorn can only

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be redeemed one time, Von Kohorn discloses the invention when given its broadest interpretation which is also consistent with what appellants' specification supports. The interpretation of the phrase argued by appellants, however, is not supported by appellants' specification.

Appellants argue that the Board improperly read the condition of fraud into the claimed invention for purposes of considering whether the phrase a "predetermined number of times" was supported by appellants' specification [Request, pages 25-26]. We are not persuaded by this argument. The decision in this case simply dismissed appellants' proposed second meaning of the phrase a "predetermined number of times" because the specification teaches that a coupon can only be redeemed once as a measure to prevent fraud. The decision simply notes that the meaning of the phrase proposed by appellants would not perform this important function of fraud protection as taught by the disclosure.

We have reconsidered our decision of April 28, 2006 in light of appellants' comments in the request for rehearing, and we find no error therein. We, therefore, decline to make any changes in our prior decision. We are still of the view that the invention set forth in claims 104-157 is unpatentable over the teachings of Von Kohorn and Saigh, and that the invention set forth in claim 111 is not supported by the disclosure within the meaning of 35 U.S.C. § 112.

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We have granted appellants' request to the extent that we have reconsidered our decision of April 28, 2006, but we deny the request with respect to making any changes therein.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

REHEARING DENIED

Jerry Smith
JERRY SMITH

JERRY SMITH
Administrative Patent Judge

STUART S. LEVY

STUART S. LEVY
Administrative Patent Judge

BOARD OF PATENT
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ROBERT E. NAPPI

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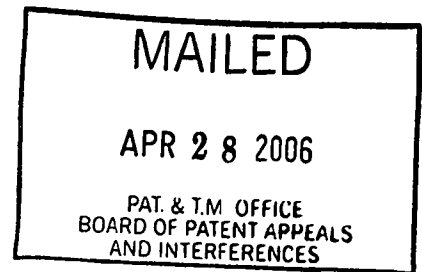
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Application No. 09/543,735

HEARD: APRIL 4, 2006



Before JERRY SMITH, LEVY, and NAPPI, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 104-157, which constitute all the claims pending in this application.

The disclosed invention pertains to an on-line coupon distribution system. More particularly, the invention downloads coupon information from a host computer to a client computer where a paper coupon is printed by the client computer.

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Representative claim 104 is reproduced as follows:

104. A method for issuing and processing electronic incentives having both transaction data and user identification data, comprising:

establishing an electrical communication between an Internet-accessible service system and at least one other system and transmitting to the service system from the at least one other system instructions for issuing a predetermined type and number of incentives;

establishing an electrical communication between the service system and one or more remote user systems via the Internet to enable the service system to receive from the one or more remote user systems user data, including user identification information, and to download to the one or more remote user systems an incentive data management software module;

enabling a remote user to view information regarding incentives and select one or more incentives available to that user, and to enable one or more of the selected incentives to be printed, via the incentive data management software module, wherein a printed incentive includes user identification information other than a user's name;

a user redeeming a printed incentive, and subsequent to the user redeeming the printed incentive, developing collation data including user-specific information and redemption information, wherein the user-specific information includes user identification information other than a user's name;

selectively providing to one or more remote users at least one subsequent incentive based on the collation data; and

one or more users redeeming the at least one subsequent incentive.

The examiner relies on the following references:

Von Kohorn	5,227,874	July 13, 1993
Saigh et al. (Saigh)	5,734,823	Mar. 31, 1998

Claims 104-157 stand provisionally rejected under the judicially created doctrine of obviousness-type double patenting over claims 76-89 of copending application Serial No. 09/754,378.

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Claims 111 and 134 also stand rejected under 35 U.S.C. § 112, first paragraph, as containing subject matter that was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. Finally, claims 104-157 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Von Kohorn in view of Saigh.

Rather than repeat the arguments of appellants or the examiner, we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the prior art rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that appellants' specification supports the invention of claim 134, but does not support the invention of claim 111. We are also of the view that the evidence relied upon by the examiner supports the examiner's prior art rejection. Accordingly, we affirm.

We consider first the examiner's rejection of the claims based on obviousness-type double patenting. We note that appellants have elected not to address this rejection in the appeal brief [brief, page 8]. Therefore, we sustain this rejection as a mere formality although we have not considered the technical merits of the rejection.

We now consider the examiner's rejection of the claims under the first paragraph of 35 U.S.C. § 112. With respect to claim 111, the examiner objects to the phrase "allowing the printing of an incentive a pre-determined number of times" because the specification only supports a single printing of each incentive, whereas the claim covers printing the coupon a plurality of times [answer, page 4]. Appellants argue that the specification supports this claim language because each coupon can be printed out a limited number of times (e.g. once). Appellants also argue

that the claim language is supported by the specification as was agreed to by the examiner at a personal interview [brief, pages 10-11]. The examiner disputes that the claim language was found acceptable in the noted interview. The examiner reasserts that the specification only supports the predetermined number being one [answer, pages 18-19]. Appellants respond that nothing in the specification dictates that the number of times must be one. Appellants also assert an interpretation of the claim language in which the predetermined number refers to the total number of coupons which can be redeemed by a plurality of users [reply brief, pages 2-4].

We agree with the examiner that the specification does not support the objected to phrase noted in the rejection. It appears that the objected to phrase is capable of two entirely different interpretations. The first interpretation is that each user can print each coupon a predetermined number of times. This interpretation is the one accepted by the examiner and appears to be the interpretation initially argued by appellants. This interpretation is not supported by the specification because the specification, as argued by the examiner, suggests that each coupon is to be printed only one time to avoid fraud. In the

reply brief, appellants assert the second interpretation. This interpretation suggests that the predetermined number recited in the claim refers to the total number of coupons that can be printed by all the targeted users. Although this interpretation might be consistent with the claim language, it appears to be completely unrelated to anything found in the disclosure. That is, we can find nothing in appellants' specification to suggest that the total number of printed coupons is monitored to prevent fraud. Thus, this second interpretation appears to be an interpretation recently devised by appellants in an attempt to render these claims patentable. Given these two completely different interpretations of the claim language, we decline to accept an interpretation which lacks any support or recognition in the specification as filed. Therefore, we accept the interpretation used by the examiner, and apparently by appellants initially, and conclude that the claim language so interpreted is unsupported by the specification.

With respect to claim 134, the examiner objects to the phrase "wherein downloading the incentive data management software comprises downloading the unique identifier" because the specification does not disclose this combination of features

[answer, page 4]. Appellants respond by citing an exemplary portion of the specification and drawings which allegedly support claim 134 [brief, page 11]. The examiner responds that although the specification supports downloading uniquely identified coupons or coupon packages, it does not support downloading the unique identifier with the downloading of the incentive data management software [answer, page 19]. Appellants respond by citing additional portions of the specification to support the invention of claim 134 [reply brief, pages 4-5].

We agree with appellants that the specification supports the downloading of the unique identifier as part of the downloading of the incentive data management software module. The alternative embodiment described at the bottom of page 32 clearly discloses that the downloaded coupon management routines are encoded with a unique user identification number. This disclosure supports the recitation of claim 134.

Therefore, we sustain the examiner's rejection of claim 111 but we do not sustain the examiner's rejection of claim 134 for the reasons discussed above.

We now consider the rejection of claims 104-157 under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Von

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Kohorn and Saigh. In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444

(Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the briefs have not been considered and are deemed to be waived [see 37 CFR § 41.37(c)(1)(vii)(2004)].

With respect to independent claims 104 and 132, the examiner's rejection essentially finds that Von Kohorn teaches every feature of these claims except that Von Kohorn does not explicitly disclose that the communication channel is the Internet. The examiner cites Saigh as teaching use of the Internet to transmit coupons to a user. The examiner finds that it would have been obvious to the artisan to use the Internet as taught by Saigh to transmit coupons in Von Kohorn [answer, pages 5-8].

Appellants make the following arguments: 1) that the applied prior art is non-analogous art; 2) that there is no motivation to modify the teachings of Von Kohorn with the teachings of Saigh; and 3) the collective teachings of Von Kohorn and Saigh fail to teach all of the claim elements. With respect to the first argument, appellants argue that Von Kohorn and Saigh are outside appellants' field of endeavor, which is said to be the electronic distribution of coupons in a way which reduces fraud. Appellants also argue that the applied references are not reasonably pertinent to the problems with which appellants were involved. Appellants list several problems in support of this contention [brief, pages 12-17]. The examiner responds by citing several portions of Von Kohorn and Saigh which, according to the examiner, demonstrate that Von Kohorn and Saigh are analogous art with respect to the claimed invention [answer, pages 19-21]. Appellants respond that Von Kohorn is not primarily directed to a coupon distribution system. Appellants also respond that Von Kohorn and Saigh are not concerned with deterring fraud in print-at-home coupons or tracking user activity [reply brief, pages 5-10].

We are not persuaded by appellants' arguments that Von Kohorn and Saigh are non-analogous art. Independent claims 104 and 132 recite a method of viewing and printing at a remote terminal user-specific incentives. There is no question that Von Kohorn prints user-specific coupons at user terminals. The fact that Von Kohorn also teaches a method for measuring the effectiveness of different stimuli on user purchases does not detract from the fact that Von Kohorn also teaches a coupon distribution system as claimed. Von Kohorn also teaches that the disclosed method is useful for preventing forged coupons [see for example, column 16, lines 55-58 and column 17, lines 10-20]. With respect to Saigh, it was cited to show that it was known to use the Internet to distribute coupons on demand. Although Saigh has much wider applicability than the distribution of coupons, it is clearly analogous art with respect to the claimed distribution of coupons. Therefore, we find that Von Kohorn and Saigh are analogous art with respect to the claimed invention.

With respect to the second argument noted above, appellants argue that the proposed modification would render Von Kohorn unsuitable for its intended purpose and would change the principle of operation of Von Kohorn. Appellants also argue that

the examiner has not properly addressed why it would have been obvious to modify the particular system of Von Kohorn to include the Internet [brief, pages 17-19]. The examiner responds that both Von Kohorn and Saigh teach the distribution of coupons to users over a network. The examiner asserts that the artisan would have been motivated to utilize the Internet in Von Kohorn to take advantage of a network that is far reaching and readily available [answer, page 22]. Appellants respond that Von Kohorn is directed to a television broadcast system and teaches away from a computer network system [reply brief, pages 10-11].

We are not persuaded by appellants' argument that there is no proper motivation for combining the teachings of Von Kohorn with the teachings of Saigh. The examiner's rejection is based on the findings that Von Kohorn teaches every element of the claimed invention except for the use of the Internet. These specific findings will be considered below. The examiner cites Saigh for the sole purpose of teaching that it was known to use the Internet as a way to distribute incentives, such as coupons, to users of computers. Although Von Kohorn teaches the distribution of coupons to users over a television or radio broadcast network, Von Kohorn also teaches such distribution over

a closed circuit network [column 10, line 37]. Von Kohorn also defines an "interactive system" as a "system for communicating from a sender to a respondent and having the capacity for allowing the sender to receive a communication, when desired, from the respondent whether by manual or electronic means" [column 9, lines 9-13]. Thus, it appears to us that Von Kohorn contemplates any interactive network as suitable for practicing his invention. We agree with the examiner that the artisan would have been motivated to use the Internet as the interactive network in Von Kohorn because the Internet has become accessible to nearly everyone who owns a personal computer and the Internet has become the wide area network of choice by such computer users. Thus, applying the teachings of Saigh to Von Kohorn does not render Von Kohorn inoperable for its intended purpose, but only makes an additional form of communication available to the coupon distributors.

With respect to the third argument noted above, appellants simply recite the various limitations of independent claim 104, and then assert with essentially no explanation or analysis that the portions of Von Kohorn cited by the examiner fail to teach the claim limitations [brief, pages 19-21]. The examiner

responds by again citing several portions of Von Kohorn which, according to the examiner, meet the individual recitations of claim 104 [answer, pages 23-36]. Appellants respond that the rejection fails to show the following elements of claims 104 and 132: 1) transmitting to the service system from the at least one other system instructions for issuing a predetermined...number of incentives; 2) the second establishing step and the enabling steps; and 3) the step of developing collation data. Appellants support these arguments with the bare assertion that the portions of Von Kohorn cited by the examiner fail to support the examiner's findings without any explanation or analysis [reply brief, pages 11-14].

We respond to these arguments with the understanding that we have already determined that it would have been obvious to the artisan to modify the system and method of Von Kohorn to include using the Internet as the communication channel between the coupon distributors and the coupon users. After such modification, the coupons of Von Kohorn would be sent from an Internet site to each user along with the modules necessary to control the printing of coupons. Under such circumstances, the coupon data would have to be stored at the Internet site, and the

user would have to request coupons from the Internet site. Since Von Kohorn discloses that a user can print out a unique coupon, Von Kohorn clearly teaches that instructions are transmitted for issuing a predetermined number of incentives (coupons). Since the remote units in Von Kohorn are provided to the users and instructions are transmitted from the central location to the remote units, and since we have determined that it would have been obvious to the artisan to use the Internet in Von Kohorn, then we find that the establishing and enabling steps of the claimed invention would be met under such modification of the system taught by Von Kohorn. With respect to the third feature cited by appellants, Von Kohorn also teaches that his system and method can compile a cumulative record and determine a quantitative measurement of a shopper's buying behavior and for the distribution of subsequent user incentives [column 2, lines 8-16]. Thus, we find that when the system and method of Von Kohorn are modified to use the Internet as taught by Saigh, each of the elements of claims 104 and 132 argued by appellants is taught or suggested by the applied prior art. Therefore, we sustain the examiner's rejection of independent claims 104 and 132. Since appellants' argument with respect to each of the

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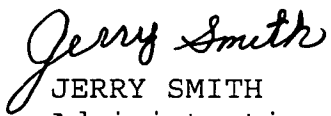
dependent claims consists of nothing more than an assertion without any explanation or analysis that the passages of Von Kohorn relied on by the examiner fail to render the claimed invention unpatentable, we sustain the examiner's rejection of each of the dependent claims because the examiner, in our view, at least established a prima facie case of obviousness with the findings set forth in the rejection.

In summary, the examiner's double patenting rejection is sustained. The rejection under 35 U.S.C. § 112 is not sustained with respect to claim 134 but is sustained with respect to claim 111. The rejection under 35 U.S.C. § 103(a) is sustained with respect to all claims. Therefore, the decision of the examiner rejecting claims 104-157 is affirmed.

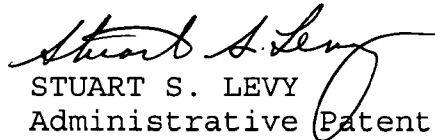
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AFFIRMED


JERRY SMITH

Administrative Patent Judge


STUART S. LEVY

Administrative Patent Judge


ROBERT E. NAPPI

Administrative Patent Judge

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